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COMMUNAL BENEFITS FROM THE PUBLIC CONTROL OF TERMINAL MARKETS

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Of all the means whereby our nation can be relieved of the pressure of soaring prices the safest and most effective is the establishment in every American city of a modern municipal market system. By this means alone can public control be secured of the sale and distribution of our food supply. If our people are to obtain the full benefit of economies in food distribution an efficient public market is an absolute necessity. At the same time we must consider the advantages to health and efficiency resulting from the securing of foodstuffs to be relied upon for quality and freshness.

Consumption Exceeding Production.—Besides that, the modern municipal market system has the great advantage that it can be conducted without loss to the taxpayers. The cities of Europe have been compelled by circumstances to organize their markets on scientific lines, and so highly do they estimate the advantages that any community of over 20,000 people lacking a municipal market system is regarded as exhibiting lamentable neglect of civic economy. American cities today are developing a like consciousness, for we have arrived at conditions somewhat similar to those that have obtained in Europe for years. That is to say, our consumption is far exceeding our production, and in consequence we are being compelled to exercise greater economies with regard to our necessities.

Hitherto the United States has occupied a position of unique advantage. We have had such abundant resources that, after taking care of our wants, we have been able to supply the markets of the Old World with enormous quantities of foodstuffs. This abundance has relieved us of the necessity for economical distribution in the home territory. Within the last ten years there has been a remarkable change in conditions. Our cultivated land has increased thirty per-

cent while the consumption has increased sixty percent. Three million more men are earning enough to enable them to buy meat, but there has been a heavy decrease of meat producing cattle on American farms.

Municipalities are therefore confronted with the duty of meeting these changed conditions. The most effective means of solving the problem lies in the organization of publicly controlled markets that will afford economical facilities for distribution.

A Model Market.—Let me present a brief description of the latest type of a municipal market, designed to secure the best results. Its location must be convenient, with direct railroad, and if possible, steamship facilities. For this purpose the receiving station should be equipped with railroad tracks on both sides to facilitate rapid receiving and clearances. In that receiving station the inspection, checking and sorting of the deliveries take place. All consignments must be inspected by the city officials, whether they are for delivery in the market itself, or sold in carload lots for despatch elsewhere, or are sold at the receiving station for immediate local delivery. Here, therefore we have the first point of public control—that is—the control of quality.

Alongside this receiving station should be a number of commodious, airy market halls, each devoted to a separate section of produce, and each equipped with a refrigerated cellar connected by hoist with the space above. The whole structure should be of iron-concrete, with water equipment so arranged as to enable a thorough flushing of the premises. The stands and cellars should be rented to dealers, or the direct representatives of the growers, for the sale of produce at wholesale and retail. One section should be set aside for sales by public auction, conducted by bonded officials at a fixed 4 per cent charge on all transactions. This auction section affords the second means of public control to the municipality—the control of prices.

Directly a shipment for the market has been inspected in the receiving station it should be delivered, by means of hoists and underground roads, to the cellar of the marketman to whom it is consigned, who will thereafter draw upon it as required. Finally one side of the exterior of the market should be devoted to despatching produce after sales have taken place.

Effective Public Control.—Such a market enables a municipality to exercise effective public control not merely over the quality of the

food accepted but also the market price of the produce and the wholesomeness of the commodities despatched from the market halls.

The responsibility for the enforcement of the regulations will rest with a market master under the supervision of a special committee representing the city authorities. He must possess tact, executive capacity and strong character, for on him the success of the market will largely depend. He will see not merely to the collection of revenue from the standholders, but to the cleanliness, order and maintenance of the buildings. His policy must show neither fear nor favor. If a standholder violates a rule the market master should be able to inflict a fine, subject to the approval of the market committee. Further, in any case where there is evidence against a standholder of joining or attempting to join a combine, the market master should be empowered to cancel his tenancy and deprive him of further market privileges.

The Economies.—The economies to be considered are these. By delivering the supplies on the freight cars direct into the market, thus eliminating the trucking from the terminals to the market, there is a resulting economy of from \$10 to \$20 on every freight carload. That is an economy affecting the consumer, for all the trucking is added to the bill by the intermediaries who handle supplies between the farm and the urban home.

The committee on markets of the New York State Food Investigating Commission has reported that "The total addition to the cost by distribution in New York is at least 40 per cent." This is made up of the cost and profit of wholesalers, estimated at 10 per cent on the cost at the terminals, and the cost and profit of the retailers and jobbers, which averages $33\frac{1}{3}$ per cent on the prices paid by them. The heaviest item of this cost is trucking. By eliminating the trucking, therefore, between the terminals and the markets, the consumer must benefit because the retailer will pay less, and in order to secure trade he will pass on the advantage to his customers.

By establishing, in connection with the central terminal market, a chain of subsidiary district markets, a still further advantage will accrue, for consumers will be encouraged to revive the habit of "going to market," thereby releasing themselves from reliance on the local store.

Waste and Deterioration.—These considerations, however, do not exhaust the economies resulting from the elimination of trucking.

To the unnecessary cost of haulage have to be added the waste and deterioration incidental to dilatory methods of transportation. Four-fifths of the condemned food in American cities every year consists of vegetables and fruit. The cause of the condemnation is exposure to the atmosphere en route to the market, or subsequent to delivery. The second great economy is here practised through the public control of the municipal market, all perishable produce being delivered to the cool, clean cellars under the market hall without unnecessary delay or multiplicity of handling. It is largely owing to the risk of this loss that farmers offer apples in country orchards at 75 cents a barrel, while consumers in the cities are paying \$2 a bushel for the same barrel of apples. It is because of this, again, that quantities of cabbages, and green vegetables generally, are withheld from the market, to the great detriment of the poor citizens, who are deprived of them. Municipal markets, with quick deliveries and hygienic methods of handling, and large opportunities for a ready sale, will encourage growers to send cheap produce to the markets.

The Elimination of the Middleman.—The next great economy that reflects itself in the retail price of commodities is brought about by the elimination of the unnecessary middleman. The publicly controlled market will offer the producers three alternatives. They will be able to coöperate to rent stands, to ship direct to an approved wholesaler, or to the public auction.

With this ready market, controlled by the city, and the risk of complete loss avoided, the producer will not hesitate to ship without the intervention of superfluous intermediaries.

Nor will coöperative selling alone be encouraged. Consumers will find in the auction section facilities for coöperative buying at the lowest possible prices. In any case, therefore the establishment of a publicly controlled market will do away with the multiplicity of intermediaries that now exist.

Business Economies.—The fourth important economy affecting the price to the consumer is brought about by the improved and economical conditions under which the marketman is able to conduct his business. Through the scientific management of a municipal market, he effects economies in rent, help, ice and incidental charges, besides having better accomodation for trade and storage.

Scientific Requirements.—I cannot leave the question of benefit and economies without calling your attention to the advantages that

must accrue by reason of the scientific requirements of the municipal health inspectors who will test the produce as it enters the market.

Need I say that quality, grading, weight and packing must and will receive most careful attention from the producer or shipper in order that his produce will meet and pass the rigid requirements of the representatives of the public examining authorities?

Health Considerations.—Health considerations are also involved. Only by the strict public control of markets can we ensure wholesome food. Fifteen millions of our twenty millions of American school children have been declared by the doctors to be defective, a condition mainly traceable to malnutrition resulting from food-stuffs that have lost much of their body-building values. This loss of quality is due to the delay in handling produce between the grower and consumer, which delay the municipal market would correct. Surely this argument is as important as any of the financial arguments, involving as it does the very efficiency of our people.

Cost and Economy.—I recall that President Wilson in his inaugural address, said: "We have studied, as perhaps no other nation has, the most effective means of production, but we have not studied cost or economy."

It is gratifying to hear, from the chief executive of the nation, that clarion call to thrift and conservation. Publicly controlled markets, as I have outlined them, will contribute powerfully to the achievement of these high ideals. I commend these arguments, therefore, to your careful consideration, convinced that in the operation of municipal markets American municipalities will find an effective means of insuring the health, contentment and efficiency of all our people.